

AIR RESOURCES BOARD

**FY 2001-02 APPROVED BUDGET \***

JULY 26, 2001

		STATE OPERATIONS		LOCAL ASSISTANCE	CAPITAL OUTLAY	TOTAL BUDGET
		Positions	Dollars			
\$ in thousands						
<b>FY 01-02 Baseline Budget</b>		<b>1,057.2</b>	<b>123,881</b>	<b>15,111</b>	<b>0</b>	<b>138,992</b>
<b>Budget Changes:</b>						
1	Energy Crisis/Environmental Justice Air Emissions Program	One-time	4.0	**	48,000	48,000
2	California Zero Emission Vehicle Program	One-time			20,000	20,000
3	The Children's Health Study	4-yr limited-term			1,000	1,000
4	Infrastructure Improvement	One-time			6,500	6,500
5	In-Use Vehicle Compliance Testing	One-time			935	935
6	Air Quality in the Lake Tahoe Basin	2-yr limited-term			622	622
7	Economic Analysis Unit Continuation		2.0	**	187	187
8	Equipment Replacement (Yr 4 of 5)				560	560
9	Structural Inadequacy Funding				699	699
10	AB 970 Power Plant Siting	3-yr limited-term	3.5	**	343	343
11	SB 1298 Distributed Generation		2.0		192	192
12	SB 1794 Rice Straw (GF transfer to Rice Straw Fund)	One-time			1,000	1,000
	OEHHA: Converting ARB Reimbursements to GF				-972	-972
	Capital Outlay: HSL Breezeway Construction	One-time				2,199
	Montebello Unified School District: CNG Buses	One-time			75	75
						0
<b>Total, Budget Changes</b>			<b>11.5</b>		<b>79,066</b>	<b>81,340</b>
<b>FINAL BUDGET *</b>			<b>1,068.7</b>		<b>202,947</b>	<b>220,332</b>
<b>FUNDING:</b>						
General Fund:						
	Energy Crisis/EJ Air Emissions Program				23,000	23,000
	Montebello Unified School District: CNG Buses				75	75
	All Other Activities				28,987	28,987
	<b>Total, General Fund</b>				<b>51,987</b>	<b>52,062</b>
Motor Vehicle Account:						
	California Zero Emission Vehicle Program				20,000	20,000
	All Other Activities				59,053	59,053
	<b>Total, Motor Vehicle Account</b>				<b>79,053</b>	<b>94,164</b>
	Federal Funds				10,510	10,510
	Vehicle Inspection & Repair Fund				10,167	10,167
	Air Pollution Control Fund				18,800	20,999
	Reimbursements				5,126	5,126
	Natural Resources Infrastructure (Energy Crisis/EJ)				25,000	25,000
	Air Toxics Inventory & Assessment Acct (Hot Spots)				1,304	1,304
	Rice Straw Demonstration Grant Fund (transfer from General Fund)				1,000	1,000

\* Excludes funds carried over from FY 00-01:

Projects	Total Available	Spent in FY 00-01	Available FY 01-02
Fuel Cell - Bus Demonstration	\$ 5,000	\$ -	\$ 5,000
Lowenthal AB 2061: ZEV Grants	18,000	1,877	16,123
Lowenthal AB 2061: Alternative Diesel Fuel Grants	500	-	500
Emissions Reduction Credit Bank	68,000	75	67,925

\*\* Continuation of existing positions

**BUDGET ACT LANGUAGE ADOPTED: (see attached)**

- > Energy Crisis/Environmental Justice
- > Zero Emissions Vehicle Program
- > \$50 million Statewide General Fund Unallocated Reduction. Implementation details pending.

**ENERGY CRISIS/ ENVIRONMENTAL JUSTICE  
AIR EMISSIONS PROGRAM  
Budget Act Language  
FY 01-02**

A total of \$48,000,000 (\$23,000,000 appropriated in Item 3900-001-0001 and \$25,000,000 appropriated in Item 3900-001-0383) shall be subject to the following:

(a) \$16,000,000 shall be allocated to county air pollution control districts and air quality management districts for the purposes of funding the purchase of new clean fuel school buses or the retrofit of diesel school buses consistent with the criteria adopted by the State Air Resources Board in December of 2000. Funds shall be allocated to districts on the basis of population. In expending these funds, a district shall distribute half of the funds to directly benefit low-income communities and communities of color that are disproportionately impacted by air pollution.

(b) \$16,000,000 shall be allocated to county air pollution control districts and air quality management districts for expenditure pursuant to Chapter 9 (commencing with Section 44275) of Part 5 of Division 26 of the Health and Safety Code. First priority for expenditure of these funds shall be to replenish emissions reductions achieved by these districts pursuant to Chapter 9 (commencing with Section 44275) of Part 5 of Division 26 of the Health and Safety Code that were reallocated by the State Air Resources Board during calendar year 2001 in order to offset peaker plant emissions. Any remaining funds shall be allocated to these districts based on the schedule adopted by the board pursuant to Chapter 9 of the Health and Safety Code, updated to reflect changes in district attainment status. In expending funds pursuant to this provision, a district shall distribute half of the funds to directly benefit low-income communities and communities of color that are disproportionately impacted by air pollution.

(c) \$16,000,000 shall be allocated to county air pollution control districts and air quality management districts to mitigate emissions from diesel-fueled electrical backup generators which are operated due to the state electricity crisis. Funds appropriated pursuant to this provision shall be made available to all these districts based upon population and the level and severity of community exposure to emissions from such generators. Funds may be expended to reduce emissions from sources other than electrical back-up generation, if the emissions reductions are for the same or similar types and quantities of emissions and the emissions reductions mitigate the emissions from that generation. In expending funds pursuant to this provision, a district shall distribute one-half of the funds to benefit directly low-income communities and communities of color that are disproportionately impacted by air pollution. Up to 10 percent of these funds shall be allocated to districts, in proportion to the amount of each district's subvention pursuant to Chapter 5 (commencing with Section 39800) of the Health and Safety Code, for the implementation, monitoring, and enforcement of programs related to the state electricity crisis.

**ZERO-EMISSION VEHICLES PROGRAM**  
**Budget Act Language**  
**FY 01-02**

1. It is the intent of the Legislature that the State Air Resources Board consider the eligibility of manufacturers and consumers of low-speed vehicles or Neighborhood Electric Vehicles, or both, in the administration of any grant programs, loan programs, or rebate programs, as an incentive to manufacturers or consumers, or both, of zero emission vehicles, in recognition of those vehicles contribution to achieving compliance with the zero emission vehicle mandate.
  
2. Of the funds appropriated in this item, \$20,000,000 shall be available for use as grants to provide incentives for the purchase or lease of zero emission vehicles, and shall be available for expenditure through June 30, 2004, as follows:
  - (a) \$10,000,000 for grants in an amount up to \$5,000 per vehicle pursuant to criteria established by the State Air Resources Board.
  
  - (b) \$10,000,000 for grants in an amount up to \$11,000 per vehicle to subsidize the purchase or lease of zero emission vehicles to be used in fleets operating in nonattainment areas.
  
  - (c) The State Air Resources Board shall award grants pursuant to subdivision (b) of this provision through a competitive process that gives preference to the award of grants to fleet operators that will use the vehicles primarily in communities that are disproportionately impacted by poor air quality, including low-income communities and communities of color.
  
  - (d) An entity receiving grants pursuant to subdivision (b) of this provision shall be ineligible for any grants pursuant to subdivision (a) of this provision.

**\$50 MILLION STATEWIDE  
GENERAL FUND UNALLOCATED REDUCTION  
Budget Act Language  
FY 01-02**

SEC. 3.90. Notwithstanding any other provision of law, NonProposition 98 General Fund support appropriations in various state departments in this act may be reduced, as appropriate, to reflect a cumulative reduction of \$50,000,000.

The Director of Finance shall allocate the necessary reductions required by this section. The allocation shall be based on detailed plans submitted by the agency secretaries, and if no agency secretary, by the appropriate authority. The detailed plan shall be due to the Department of Finance in conjunction with the fall 2002-03 budget preparation process.

All reductions allocated by the Department of Finance pursuant to this section shall be specific reductions in positions or items of expenditure. The plan shall categorize each reduction as to whether it eliminates resources in excess of those needed to carry out programs effectively or whether the reduction will have a programmatic effect, in which case the plan shall identify that effect. A reduction may not be allocated to a general category, such as salary savings or general operating expenses.

The reductions allocated by the Department of Finance shall be reflected and identified in the 2002-03 Governor's Budget. At the time that the 2002-03 Governor's Budget is submitted to the Legislature, the Department of Finance shall provide a report to the Joint Legislative Budget Committee and the budget committee in each house identifying the reductions allocated to each department. For each reduction, the report shall identify the program or programs affected, how and when the reduction will be accomplished, and the effect of each reduction on program functions or services.

This section shall not apply to the following departments or specified appropriations, programs, or functions:

0110	Senate
0120	Assembly
0160	Legislative Counsel Bureau
0250	Judiciary
0820	Department of Justice (law enforcement)
0860	State Board of Equalization
1730	Franchise Tax Board
1760	Department of General Services (Governor's Budget/legislative printing)
2720	Department of the California Highway Patrol
3540	Department of Forestry and Fire Protection (fire protection and State Fire Marshal)
3560	State Lands Commission
3600	Department of Fish and Game (peace officer/public safety/warden positions)
3790	Department of Parks and Receptions (public safety purposes)
4260	Department of Health Services (fraud, audits, and investigations)
4300	Department of Developmental Services (Centers)
4440	Department of Mental Health (Hospitals)
5100	Employment Development Department
5180	Department of Social Services (Community Care Licensing)
5240	California Department of Corrections (Institutions)
5460	Department of the Youth Authority (Institutions)
6110	Department of Education (State Special Schools)
6440	University of California
6600	Hastings College of the Law
6610	California State University
8380	Department of Personnel Administration (Rural Health Care Equity Program)
8960	Veteran's Home of California--Yountville
8965	Veteran's Home of California--Barstow
8966	Veteran's Home of California--Chula Vista
9600	General Obligation Bonds and Commercial Paper
9610	Lease-Revenue Notes and Bonds
9590, 9620, and 9625	Interest payments
9650 to 9914	Various nondepartmental appropriations Constitutional Officers